

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER:  <div style="text-align: center;">04 - 01</div>	2. STATE:  <div style="text-align: center;">TEXAS</div>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE:  <div style="text-align: center;">January 1, 2004</div>	
5. TYPE OF PLAN MATERIAL (Circle One):  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> NEW STATE PLAN</span> <span><input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN</span> <span><input checked="" type="checkbox"/> AMENDMENT</span> </div>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR 440.167</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 04                      \$ 0 b. FFY 05                      \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT</b>	
10. SUBJECT OF AMENDMENT: <b>This amendment revises the Reimbursement Methodology for Primary Home Care Services to change the spending requirement for the Attendant Compensation Rate Enhancement.</b>			
11. GOVERNOR'S REVIEW (Check One): <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT  <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL         </div> <div style="width: 50%;"> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:  <b>Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.</b> </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  <b>Jason Cooke</b> <b>State Medicaid/CHIP Director</b> <b>Post Office Box 13247</b> <b>Austin, Texas 78711</b>	
13. TYPED NAME: <b>Jason Cooke</b>			
14. TITLE: <b>State Medicaid/CHIP Director</b>			
15. DATE SUBMITTED: <b>January 9, 2004</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:      9 JANUARY 2004		18. DATE APPROVED:      20 FEBRUARY 2004	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">1 JANUARY 2004</div>		20. SIGNATURE OF REGIONAL OFFICIAL:  	
21. TYPED NAME: <div style="text-align: center;">ANDREW A. FREDRICKSON</div>		22. TITLE: ASSOCIATE REGIONAL ADMINISTRATOR <div style="text-align: center;">DIV OF MEDICAID &amp; CHILDREN'S HEALTH</div>	
23. REMARKS:			

(5) Determination of attendant compensation rate component for participating contracts. HHSC will determine attendant compensation rate enhancement increments associated with each enhanced attendant compensation level. The attendant compensation rate enhancement increments will be determined by taking into consideration quality of care, labor market conditions, economic factors, and budget constraints. The attendant compensation rate enhancement increments will be determined on a per-unit-of-service basis applicable to each program or service.

(6) Spending requirements for participating contracts. Participating contracts are subject to a spending requirement with recoupment calculated separately for their Priority 1 and Nonpriority services as follows:

(A) For the rate year beginning September 1, 2003, the attendant compensation spending per unit of service will be multiplied by 1.10 to determine the adjusted attendant compensation per unit of service.

(B) The adjusted attendant compensation per unit of service from X (6)(A) will be subtracted from the accrued attendant compensation revenue to determine the amount to be recouped. If the adjusted attendant compensation per unit of service is greater than or equal to the attendant compensation revenue per unit of service, there is no recoupment.

(C) The amount paid for attendant compensation per unit of service after adjustments for recoupment must not be less than the amount determined for nonparticipating contracts.

(7) Reinvestment. HHSC will reinvest recouped funds from X(6) in the attendant compensation rate enhancement to the extent that there are qualifying contracts. Reinvestment will be calculated separately for qualifying contracts' Priority 1 and Nonpriority services.

(A) Contracts meeting the following criteria during the most recently completed reporting period are qualifying contracts for reinvestment purposes.

(i) The contract was a participant in the attendant compensation rate enhancement.

(ii) The contract's attendant compensation spending per unit of service of this section was greater than the total attendant compensation rate per unit of service granted to the contract.

(iii) HHSC has received an acceptable Attendant Compensation Report completed in accordance with all applicable rules and instructions.

(B) Available funds are distributed as described below.

(i) HHSC determines units of service provided during the most recent completed reporting period by each qualifying contract and multiplies this number by the attendant compensation spending per unit of service minus the attendant compensation rate per unit of service for the reporting period.

SUPERSEDES: TN- 03-04

STATE <u>Texas</u>	A
DATE REC'D <u>9 Jan 04</u>	
DATE APPV'D <u>20 Feb 04</u>	
DATE EFF <u>1 Jan 04</u>	
HCFA 179 <u>04-01</u>	